



PORTLAND DISTRICT NEWS

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Volume 2, Issue 2

Your Partner in Business

April, 2001

A WORD FROM OUR DISTRICT DIRECTOR



The year 2001 has brought us much to be excited about. We are hopeful that the new administration will bring increased support for our agency and our programs. We are excited that our preview of our FY 2002 budget shows increases in funding for our major programs as well as for operating budgets. We are excited to hear that Hector Barreto has been nominated as the new SBA Administrator. Mr. Barreto, a small business owner, has been a champion of small businesses and has a background in finance, small business advocacy and politics, traits that will be critical as our new Administrator.

We are also excited about our Annual "Salute to Small Business" Awards Dinner on May 16 at the Hilton Hotel and hope that you can join us for this year's celebration. We have moved because this successful event outgrew the Benson Hotel ballroom.

An entertaining and provocative program is planned, with the keynote speaker challenging us to look beyond E-commerce. We will present our annual awards to our "Small Business Person of the Year" and to outstanding small business advocates. (See list of award winners on Page 6.) Proceeds from this event go to support our Business Resource Center, which offers free access to business development tools and information to individuals wishing to start or expand their businesses.

For information about this event contact Moe Mowery at 503-326-5209. Call Katie Allwander

for registration information at 503-326-3329, or complete and return page 7 of this newsletter to the letterhead address or fax to 503-326-5103.

PHIL GENTRY

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Taking A Different Path

Eugene, Oregon's second largest city, is a popular tourist attraction. In fact, it is rated as one of the top ten cycling cities in the U.S. Although there are miles of paths built along the Willamette River in Eugene, three SBA employees took a path in January that led to two enterprising Internet entrepreneurs, Flint DOUNGCHAK and Robert Bolanos.

Their first stop took them to a small house on a quiet residential street, the home of Net Solutions. Flint DOUNGCHAK, president of Net



Solutions, is a web developer. His company specializes in web work. Developing web content involves shaping and negotiating meaning and making many choices

involving technical, aesthetic, and usability concerns. Developing information requires keen skills in planning, analysis, and design in addition to Web-oriented skills in representing information in a particular medium. Flint and his team of eight members do everything from creative to technical.

The SBA visitors spent time touring the warm

To Provide Quality Resources that Make a Difference for Small Business

cozy offices and meeting members of Flint's creative team. The SBA team discovered Flint's interest in government procurement, and spent time discussing government contracting opportunities.

The next path led the team to Robert Bolanos, whose dream is to start an Internet café close to the University of Oregon campus. What is an Internet café? It is a place where people can physically go and use the net. The term comes from the fact that Internet Cafés are located in places that serve coffee and goodies. Frequently Internet Cafés have training and help available for the new user. The SBA provided Robert with confidence-building support as well as business considerations and shortcomings of starting an Internet café. As Robert stated, "I was extremely and pleasantly surprised to see you take such a direct and personal interest in my dream! I look forward to a continued relationship with all of you as I continue to bring my dream to reality."

It is obvious that planning for a successful business was mandatory for Flint and Robert. Planning and passion will help them stay on the road to success. Helping entrepreneurs who love what they are doing is rewarding for the SBA staff, who just might be walking down your neighborhood path next time.

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OREGON SBA WEBSITE DELIVERS



Are you looking to start, expand or finance a small business? If so, then visit the Portland District Office sub-page of SBA's award-winning national website.

It's fast becoming one of the most valuable local small business resources on the Internet, delivering an abundance of small business related information and services to the local community. Portland's website logged over 14,400 hits in the year 2000 with a monthly average of 1,200.

Major topics of interest include: "Calendar of Events" listing statewide training courses on topics ranging from website design to setting up a payroll system; "Counseling & Training" with links to management and technical assistance programs from Service Corps of Retired Executives (SCORE) and Small Business Development Centers (SBDC); "Special Events" containing links to SCORE workshop flyers complete with registration forms; "Opportunities" with information on government contracting, international trade and research and development programs; the "News" page which contains district newsletters and small business success stories; and the "Financing" page which lists contact information on local SBA preferred and certified lenders, certified development companies, MicroLenders, intermediaries and investment companies.

Coming soon is a detailed "Start-up Kit" which includes links to state and local licensing, registration and regulation information, and a business resource guide describing various aspects of business start-up and operation.

Three staff members, Toni McKissen, Jim Steiner and Penny Williams, work to develop and maintain a quality, up-to-date web site that complies with ADA, Privacy Act and Security guidelines. Come visit us at <http://www.sba.gov/or/>.

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WNET ROUNDTABLES SCHEDULED

The Portland Metro Chapter of the Women Entrepreneurs of Oregon, SBA and SCORE have joined together to conduct a series of Women Entrepreneurial Network for Training (WNET) Roundtables in 2001. The coming roundtables, scheduled for April 17th, June 19th, and October 16th; provide training, mentoring and networking opportunities to potential and existing women business owners. More information may be found at <http://www.sba.gov/or/wnetworkshop.html>

Alan Zell, SCORE volunteer,



also known as the "Ambassador of Selling", was the guest speaker at the first roundtable on February 20th at the Sheraton Four Points Hotel in Portland. The Roundtables help women learn about important business issues in addition to SBA and SCORE programs and services tailored for women. For additional information contact Arlene Newell, Chapter President of the Portland Chapter of the Women Entrepreneurs of Oregon at 503-281-0998 or by email at arlene@phase2marketing.com.

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EXPORT EXPRESS: A Loan Program for Small Exporters

A tripling in the number of small businesses nationally, plus a 300 percent increase in the dollar value of small business exports in the past five years has created a strong need for export financing. Despite this growth, many small businesses continue to have difficulty in obtaining export financing.

The SBA **Export Express** Pilot Loan Program can help small exporters who have a variety of financing needs related to their growing export sales. With an **Export Express** Loan small businesses can finance any



expansion, modernization or improvement of production facilities, equipment purchases, working capital, inventory, market development, bid or performance bonds and standby letters of credit within one loan. A line of credit for export sales can even be approved under the **Export Express** loan program, as long as the loan amount does not exceed the **Export Express** loan limit of \$150,000.

Export Express is available for all PLP designated lenders. If the lender is already certified for the SBA **Express** loan program, no additional certification is needed. The guaranty level for **Export Express** is 85 percent.

A streamlined and expedited loan review and

approval process allows lenders to use their own loan analyses, procedures and loan documentation. Completed loan applications submitted for approval to the SBA's processing center in Sacramento, California receive a quick response, typically within 36 hours.

Maturities, interest rates, and guaranty fees follow those for regular SBA 7(a) loans as do most other requirements. Loan applicants must also demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market, and that they have been in business, though not necessarily in exporting, for at least 12 months.

With the SBA's help, Lenders can stay current in what is available for export financing and get an update on current practices. Give your customers the benefit of Practical Tips for Exporters on:

- Increased liquidity & better cash flow
- Enhanced competitive position
- Risk mitigation for open account terms
- Deal structuring and loan packaging for Export Working Capital Loans.

For more information on how to find the right fit to financing an export business, how to use foreign risk insurance on export accounts receivables as valuable risk mitigation in open account export sales, how to assess the credit strength of a foreign buyer, or to schedule training on Practical Tips contact Inge McNeese of the Portland Export Assistance Center at 503-326-5498 or via email at inge.mcneese@sba.gov.

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HUBZone MARKS SECOND ANNIVERSARY

The U.S. Small Business Administration's economic development initiative for distressed communities, the HUBZone Program, will mark its second year of operation with a totally revamped electronic application that is easier to use and is much faster than previous versions. The program first began accepting applications in March 1999 and the

number of HUBZone certifications just passed 2,700.

This upgrade features a streamlined presentation with pop-up menus that help direct applicants to an online guide and, if necessary, the actual regulations. Another part of the system allows a computer user who has submitted an application to check its status at any time during the review process. The revised application is available at www.sba.gov/hubzone.

The HUBZone Empowerment Contracting Program refers to Historically Underutilized Business Zones and was created in 1997 as a result of legislation sponsored by Senator Christopher 'Kit' Bond, Chairman of the Senate Small Business Committee.

For a small business to be HUBZone certified, its principal office must be located in a HUBZone and at least 35 percent of its employees must reside in one of these specially designated areas. Additionally, the firm must be owned and controlled by U.S. citizens.

Participants in the program can receive contracts through competition limited to qualified HUBZone firms. HUBZone firms are also given a price preference in bidding during full and open competition over non-HUBZone large firms.

For additional information contact Sam Goldstein HUBZone Specialist at 503-326-5101 or samuel.goldstein@sba.gov

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Seeking Nominations for Minority Business Awards

Each year the President of the United States designates one week in September as "Minority Enterprise Development Week" to honor our Nation's minority-owned business. Locally we celebrate the event the first week in October with an Awards Luncheon. At the luncheon, we plan to honor several of our state's successful



minority entrepreneurs. These individuals will be recognized for successful business development and contributions made to their communities.

We are asking you to help make this event a success by nominating one or more deserving businesses. Nomination forms are available by contacting Mary Jo Witty at 503-326-5105 or via email at mary.witty@sba.gov.

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In Which Of The Following Scenarios Would The SBA Approve A Guaranty?



Borrower Profile:

1. A service/retail concern in need of working capital, management and repayment factors are satisfactory, but collateral is major weakness.
2. A manufacturer in a high risk industry, management and collateral factors are satisfactory, but historical coverage is marginal (plus or minus), extended term financing has been requested, and repayment is projected.
3. A start-up business, owner has related industry experience, reasonable equity and a business plan.
4. A special trade contractor, owner has the ability to perform within the terms of the proposed contract, and the vendor has the capacity to pay upon completion of the contract. The applicant needs 100% financing.

In each of the examples above, SBA can issue a guaranty, provided the applicant is otherwise eligible. All four have elements of management ability, repayment and equity. The issue of not having sufficient collateral is not by itself a reason for SBA to say no to an otherwise reasonable request. Extended term financing as needed by the borrower is a flexible part of the guaranty program, and at times, the guaranty creates a safety net, as in a case of "Murphy's Law". In addition, the Contract CAPLine loan program can

provide 100% financing of the applicant's labor and material costs as needed in Example #4.

P.S. The 7(a) program can guaranty up to \$1,000,000 to a single borrower.

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COUNSELING AND TRAINING - January 2001 thru March 2001

During the second quarter of FY 2001; the twenty SBDC's in Oregon and three SBDC's in Washington held 262 training classes with 2,739 attendees and the SBDC counselors assisted 2,285 clients in total. The six SCORE chapters in our district, Bend, Eugene, Medford, Portland, and Salem, Oregon and Vancouver, Washington counseled 2,304 clients and held 11 training events with 203 attendees. The business resource center consulted with 731 clients.

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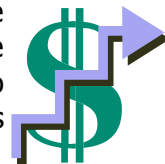
8(a) Firms in Competition

Kudos to the Federal Highway Administration for their willingness to work with SBA on an 8(a) competitive project. The project is a \$4 million road construction project in Oregon. The Federal Highway Administration took a chance with SBA and our developmental firms in the Portland District Office and set the project aside for the program. We were extremely pleased with the outcome on bid opening day. Our firms made a good showing with less than a 1% variance between the low bidder and the highest bidder and well within the government's estimate. You can't get much better than that!

Overall, the 8(a) Business Development program which provides assistance to small businesses owned by socially and economically disadvantaged individuals awarded 61 new contracts and executed 96 modifications in the six-month period ending March 31, 2001 assisting 30 businesses for a total contract value of \$18,092,345.

SIZE STANDARDS FOR AGRICULTURE

On December 21, 2000, Congress enacted Public Law 106-554, the "Small Business Administration Reauthorization Act of 2000. Section 806(b) of this legislation increases the size standard for small businesses in the Agriculture industry from \$500,000 to \$750,000 in average annual receipts effective February 23, 2001.



This change affects Agriculture industries under North American Industry Classification System (NAICS) codes, Sector 11, "Agriculture, Forestry, Fishing and Hunting," Subsector 111 "Crop Production (NAICS Codes 121110 through 111998) and Subsector 112, "Animal Production" (NAICS Code 112111 through 112990).

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*Small Business
2001 & Beyond:*

A Web Odyssey

AWARD WINNERS TO BE HONORED - May 16th, 2001

SMALL BUSINESS PERSON OF THE YEAR

CINDY M. McENTEE - PRESIDENT/OWNER
MO'S ENTERPRISES, INC. - NEWPORT, OREGON

YOUNG ENTREPRENEUR OF THE YEAR - REGION X & STATE OF OREGON

PAUL B. WILLIAMS – PRESIDENT
JEFF R. CRAM - VICE PRESIDENT
ISITE DESIGN INC. - PORTLAND, OREGON

ACCOUNTANT ADVOCATE OF THE YEAR - REGION X & STATE OF OREGON

JILL FOSTER - CPA
JONES AND ROTH PC - EUGENE, OREGON

FINANCIAL SERVICES ADVOCATE OF THE YEAR - REGION X & STATE OF OREGON

SUSAN OTCENAS - ASSISTANT VP
PACIFIC CONTINENTAL BANK - BEAVERTON OREGON

HOME-BASED BUSINESS ADVOCATE OF THE YEAR - REGION X & STATE OF OREGON

ANN SCHWARTZ - OWNER
JAGUAR ART GLASS - EUGENE, OREGON

VETERAN SMALL BUSINESS ADVOCATE OF THE YEAR - REGION X & STATE OF OREGON

RONALD L. CANNON - ASSISTANT DIRECTOR
U.S. DEPT OF LABOR – VETERANS EMPLOYMENT & TRAINING SERVICE - SALEM, OREGON

WOMEN IN BUSINESS ADVOCATE OF THE YEAR - REGION X & STATE OF OREGON

JOAN P. SHEA - PRESIDENT
MORGAN DESIGN AND CONSTRUCTION - EUGENE OREGON

MINORITY SMALL BUSINESS ADVOCATE OF THE YEAR - STATE OF OREGON

SUSANA A. MONTALVO - HISPANIC PROGRAM COORDINATOR
SOUTHERN OREGON WOMEN'S ACCESS TO CREDIT INC - MEDFORD, OREGON

SMALL BUSINESS JOURNALIST OF THE YEAR - STATE OF OREGON

BIANCA HEIN - CEO FOUNDER
E-TRADINGPOST.COM - PORTLAND OREGON
JENNIFER DIRKS - WRITER
WRITER'S GROUP - VANCOUVER WASHINGTON
JOAN HARTLEY - MEDIA CONSULTANT
JOAN HARTLEY CONSULTING - PORTLAND OREGON
DAVID ONLEY - FREE-LANCE WEB-DESIGN
METASITES - PORTLAND OREGON

FY 2001 LOAN PRODUCTION (thru 03/31/01)

ALBINA COMMUNITY BANK	9	1,094,900
AMERICAN PACIFIC BANK	1	143,000
ASSOCIATES COMM. CORP. - DELAW	1	57,000
BANK OF AMERICA	27	1,466,800
BANK OF ASTORIA	1	375,000
BANK OF CLARK COUNTY	5	1,214,000
BANK OF THE CASCADES	5	761,200
BANK OF THE WEST	1	192,200
BANNER BANK	1	833,000
BORREGO SPRINGS BANK	1	316,000
CASCADES WEST FINANCIAL SERVICES, INC.	13	7,003,000
CWFSI - MICROLOANS	4	52,928
CCD BUSINESS DEVELOPMENT CORP.	2	865,000
CENTENNIAL BANK	9	1,183,000
CIT SMALL BUS. LENDING CORP.	8	4,396,000
COLUMBIA COMMUNITY BANK	2	190,000
COLUMBIA RIVER BANKING COMPANY	4	289,800
COLUMBIA STATE BANK	1	100,000
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	13	5,614,000
FIRST INDEPENDENT BANK	1	100,000
FIRST UNION SMALL BUS. CAPITAL	7	5,272,900
GE CAPITAL SMALL BUSINESS	1	900,000
GOLETA NATIONAL BANK	5	1,499,000
GREATER EASTERN OREGON DEVELOPMENT CORP.	1	557,000
HELLER FIRST CAPITAL CORP.	1	1,000,000
IMPERIAL BANK	6	3,823,800
KEY BANK	24	3,922,400
KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSN.	2	410,000
LIBERTY BANK	4	675,800
MID-VALLEY BANK	1	97,300
NORTHWEST SMALL BUS. FINANCE CORP.	2	1,178,000
OREGON STATE BANK	1	357,000
PACIFIC CONTINENTAL BANK	8	1,708,800

FY 2001 LOAN PRODUCTION (thru 03/31/01)
(CONTINUED)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
PEOPLE'S BANK OF COMMERCE	13	2,699,300
RIVERVIEW COMMUNITY BANK	1	60,000
SILVER STATE BANK	9	1,853,245
SIUSLAW VALLEY BANK	1	30,000
STEARNS BANK NATIONAL ASSOC.	1	93,000
TEXTRON BUSINESS CREDIT, INC.	1	105,000
THE MERCHANTS BANK	2	73,000
TODAY'S BANK	4	544,304
TWIN CITY BANK	10	2,460,400
UMPQUA BANK	4	1,233,000
US BANK, NATIONAL ASSOCIATION	28	7,981,500
WASHINGTON MUTUAL BANK dba WESTERN BANK	12	2,980,500
WELLS FARGO BANK	16	4,458,800
WEST COAST BANK	14	4,828,000
WILSHIRE STATE BANK	1	475,000
TOTAL	289	77,523,877

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FY 2001 LOAN PRODUCTION BY COUNTY
(10/01/00 - 03/31/01)

COUNTY	# OF LOANS	TOTAL \$ AMT	# 504	504 \$	# 7(a)	7(a) \$
OREGON STATE						
BENTON	6	644,000			6	644,000
CLACKAMAS	27	7,038,228			27	7,038,228
CLATSOP	1	375,000			1	375,000
COLUMBIA	2	2,000,000	1	1,000,000	1	1,000,000
COOS	3	278,500			3	278,500
CROOK						
CURRY						
DESCHUTES	14	2,931,700			14	2,931,700
DOUGLAS	4	2,616,250			4	2,616,250
GILLIAM						
HOOD RIVER	2	522,000			2	522,000

FY 2001 LOAN PRODUCTION BY COUNTY (10/01/00 - 03/31/01 - continued)

COUNTY	# LOANS	TOTAL \$ AMT		# 504	504 \$	# 7(a)	7(a) \$
JACKSON	25	6,650,300		1	222,000	24	6,428,300
JEFFERSON	1	25,000				1	25,000
JOSEPHINE	2	129,000				2	129,000
KLAMATH	1	50,000				1	50,000
LAKE							
LANE	27	7,680,500		4	2,120,000	23	5,560,500
LINCOLN	5	1,189,700		2	579,000	3	610,700
LINN	5	969,000		2	573,000	3	396,000
MARION	15	5,508,900		4	2,731,000	11	2,777,900
MORROW	1	833,000				1	833,000
MULTNOMAH	65	20,506,600		6	3,366,000	59	17,140,600
POLK							
SHERMAN							
TILLAMOOK	1	10,000				1	10,000
UMATILLA	1	557,000		1	557,000		
WASCO	5	550,800				5	550,800
WASHINGTON	33	6,720,295		3	1,361,000	30	5,359,295
WHEELER							
YAMHILL	3	1,313,000		1	1,000,000	2	313,000
WASHINGTON STATE							
CLARK	21	4,520,404		4	1,464,000	17	3,056,404
COWLITZ	17	3,739,700		1	139,000	16	3,600,700
KLICKITAT	2	165,000		1	105,000	1	60,000
SKAMANIA						0	0
WAHKIAKUM						0	0
TOTALS	289	77,523,877		31	15,217,000	258	62,306,877

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